DOCUMENT RESUME

ED 360 918 HE 026 656

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TITLE A Framework for Strategic Planning and Change in Higher Education: The Case of a Business School. AIR 1993 Annual Forum Paper.
PUB DATE May 93
NOTE 17p.; Paper presented at the Annual Forum of the Association for Institutional Research (33rd, Chicago, IL, May 16-19, 1993).
PUB TYPE Reports - Descriptive (141) -- Speeches/Conference Papers (150)

EDRS PRICE MF01/PC01 Plus Postage.
DESCRIPTORS Business Administration Education; Change Strategies; *College Faculty; *College Outcomes Assessment; Educational Planning; Higher Education; *Long Range Planning; Outcomes of Education; Participative Decision Making; Program Development; School Business Relationship; Strategic Planning; Teacher Attitudes
IDENTIFIERS *AIR Forum; *Washington State University

ABSTRACT

At Washington State University's College of Business and Economics (CBE) a strategic planning program was introduced using a focus on the student as the product and the potential employers as the customers of the product. Using this approach the focus of planning is redirected with future employers the most heavily weighted source of feedback on customer satisfaction. After a failed 1990 attempt at strategic planning based on traditional approaches, a workshop challenged faculty to reorient and consider students as the college's product and employers as the primary customer. Faculty voiced strong resistance. In 1991 faculty initiated a survey of program graduates and employers on satisfaction with the college's activities. The results left faculty more open to the need for change. In the summer of 1992 faculty chose faculty-led focus groups with business leaders as a way to solicit more information. Findings from these were summarized for the strategic planning committee. Further faculty discussion concluded that themes had emerged from the research which called for specific actions which ultimately produced a new, reoriented plan. Results indicated that faculty resistance could be successfully overcome by directly involving them in the process. (Contains eight references.) (JB)

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A Framework for Strategic Planning and Change in Higher Education: The Case of a Business School

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HE026 656

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for Management Research, Policy Analysis, and Planning

This paper was presented at the Thirty-Third Annual Forum of the Association for Institutional Research held at the Chicago Marriott Downtown, Chicago, Illinois, May 16-19, 1993. This paper was reviewed by the AIR Forum Publications Committee and was judged to be of high quality and of interest to others concerned with the research of higher education. It has therefore been selected to be included in the ERIC Collection of Forum Papers.

Jean Endo
Chair and Editor
Forum Publications
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A Framework for Strategic Planning and Change in Higher Education: The Case of a Business School

ABSTRACT: With the rapid changes in the institutional environment of higher education has come the need for universities to make dramatic adaptations. One often suggested mechanism to initiate such changes is the use of strategic planning. Unfortunately, many schools' attempts at such planning efforts fail. In our case study, we provide both a philosophy and action plan for the effective implementation of the management functions (planning, organizing, leading, and controlling). The initial step entails identifying a college's key customers (e.g., potential employers of graduates) and developing strategies to meet their needs. The case focuses on how this process can be used to overcome faculty resistance and to gather useful information for strategic planning and change.

A Framework for Strategic Planning and Change in Higher Education: The Case of a Business School

The institutional environment for higher education has been rapidly changing. It seems that the varied political, economic, and technological forces for change are likely to continue in the near future. For example, business and trade activities are likely to become increasingly international as regional economic trading blocks are formed and formerly communist societies are transformed to more capitalist oriented governments (Thurow, 1992). At the national and state levels the baby-boom echo is approaching college age at the same time that education budgets are being constrained.

Within this environment institutions of higher education need to adapt their objectives, strategies, and structures to meet their constituents needs. Yet, colleges and universities often have a great deal of difficulty identifying important environmental shifts that will affect them. Further, even if important changes are identified, schools often have a great deal of difficulty in developing and implementing effective strategies and structures (Rubin, 1979).

This situation has been particularly apparent in colleges of business in recent years (Porter & McKibbin, 1988). The inability of business schools to develop effective programs has led to a great deal of discontent from many sources. Business leaders are unhappy with many recent graduates' narrow

perspectives and skills (Linden, Brennan, & Lane, 1992). Students are often dissatisfied because they do not see their education as providing tools useful for getting or performing jobs. Further, faculty are often frustrated by uninspired students who want to earn a university degree, but who show little desire to learn during that process.

One way to overcome these systemic problems is by improving the management of institutions of higher education. The basic functions of management include: planning, organizing, leading, and controlling (Allen, 1964). To employ these functions, objectives based on customer needs should initially be identified. Next, strategies to attain those objectives need to be developed, based on the institution's strengths and weaknesses, as well as the competitive environment. Once the objectives and strategies are in place, the organization should be structured to facilitate the implementation of the strategies and attainment of the objectives. At the individual faculty member level, goals and related rewards should be adopted relative to the overall college objectives. Finally, assessments should be made as to the effectiveness and efficiency of the objectives' attainment (i.e., outcomes assessment), which in turn will provide feedback on how the system needs to be altered.

For the management process to effectively operate, it is paramount that the initial planning function be properly executed. Unfortunately, in higher education institutions this is commonly not done. In many schools planning entails faculty

members meeting in disciplinary groups and developing grand objectives for their sub-areas, with little external feedback. Often the resulting objectives are vague and do not allow for relative comparisons and resource allocation. Some have suggested that the outcome of this type of academic administration is a faculty isolated from the needs of key constituents (Anderson, 1993). In turn, this isolation can result in irrelevant teaching and research by the professors (Oviatt & Miller, 1989).

To rectify this matter, we suggest reconceptualizing the student as a college's product and potential employers as the customers of that product. If this change in perspective occurs, then the focus of planning is redirected. No longer will faculty look inward toward themselves, or current students, as the key information sources. Rather, potential employers become the most heavily weighted source of feedback on customer satisfaction.

Employing such a management scheme has many positive consequence, yet often meets with faculty resistance (Oviatt & Miller, 1989). In the following section we present the steps that were taken in a college of business and economics at a large western university to implement this management scheme.

Case History

In the spring of 1990 the departments in the College of Business and Economics (CBE) were given the charge of creating five-year strategic plans. The CBE had approximately 100 faculty members organized into six departments. To begin the planning

process, the Department of Management and Systems (MAS) formed a strategic planning subcommittee of three tenured faculty members. In turn, the committee requested the sub-areas within the department (human resource management, management, management information systems, production operations management, and statistics) to consider their strengths and weaknesses and develop five-year plans.

During the planning deliberations it became evident that there was some unease with the education provided in the department. Part of the concern was due to rapid changes occurring in the external environment: the American economy was loosing its advantage in global markets, technology was rapidly pushing the economy into the post-industrial information age, and both public and private organizations seemed to be in grid lock as they attempt to cope with change. In general, it seemed as if a large proportion of American institutions were being poorly managed and it was unclear whether the teaching and research offered by the department helped any of these emergent problems.

Conversely, there were strong vivid cues (Nisbett & Ross, 1980) in the immediate departmental environment to maintain the status quo. For example, the business school courses continued to be in high demand, attracting some of the best students in the university to the CBE. Thus, in spite of the lingering uneasiness over the quality of education in the MAS, there was also reluctance to change.

Within this context, the sub-areas in the department met during the spring and summer of 1990 to discuss their missions, goals, and resource requirements. The outcome of those meetings was that each sub-area developed grand plans for growth requiring one to five new faculty members and $100,000's. The department then met as a group and approved the various subcommittees' plans. No way to prioritize the requests was apparent. In essence, the department seemed to have fallen into the same flawed management trap that had captured much of American industry. That is, it had arrived at a plan for changes in the department with little assessment of the external environment and the customers' needs. Essentially, it had failed to effectively plan and organize.

In the fall of 1990, shortly after the strategic plan was adopted, a graduate of the program was invited to campus to present a three-day workshop for the MAS faculty and students. These workshops were based on the graduate's long management consulting career and primarily focused on applying the basic functions of management (i.e., plan, organize, lead, and control). During that visit the alum challenged the faculty members to reorient their thinking and consider the students as the college's product and employers as the primary customer. Essentially, he challenged the faculty to practice what they preached.

There was a great deal of resistance to these suggestions. The discussions in the workshops became heated and many faculty

members dismissed this new perspective out of hand. One of the major criticisms of treating employers as customers was based on the fear that the department would become a trade school catering to a small number of organizations or disciplines. Faculty members generally felt that they should teach students the process of thinking and problem solving and not specific work skills.

Over the next year discussions were held in hallways, over lunches, and after hours on this topic. Sufficient unfreezing of faculty resistance had occurred such that two faculty seminars were held on how to improve teaching during that 12-month period. However, the fundamental issue of teaching effectiveness relative to the long term needs of students and their employers was not settled.

In the fall of 1991 the MAS faculty met and decided that it was worth a bit of effort to see if graduates of the program and their employers were satisfied with the department's activities. The Dean and Chair offered their encouragement and support of the project. To implement the data gathering, each departmental member called five graduates from the class of 1988. Approximately 80 alumni were contacted. It was felt that these graduates, being three years out of school, would have sufficient work experience to reflect upon the program, but not be gone so long as to have forgotten their courses.

During the telephone call the faculty members conducted a semi-structured survey, using a prepared script. The graduates

were polled on their perceptions of the strengths and weaknesses of each of the department's sub-areas. Alumni were also asked to provide their employers' telephone numbers so that they too could be polled. Approximately half of the respondents provided their supervisors' telephone numbers.

The results of this initial survey indicated the department was covering most of the needed material. There were areas within the department in which topics needed to be covered in more depth (e.g., in the human resource area more time needed to be spent on training, development, and negotiations; in the management information systems area more time needed to be spent on micro/mainframe linkages and local area networks).

Overall the feedback from alumni and their employers was relatively consistent. Common themes included: make the program more problem solving oriented, practice diagnosis and intervention skills, and better link theory to practice. The respondents suggested a number of means to implement these changes: more labs, internships, group projects, smaller classes, hands-on experience, club activities, role playing, business cooperative programs, and guest speakers from business. They also suggested a greater emphasis on written and oral communication skills, computer skills, team work skills, and organizational politics.

Both the conducting of the telephone survey and the content of the resulting findings helped further unfreeze the faculty as to the need for change. Upon completion of the survey it seemed

as if the employer and alumni goals for the program were quite similar to those of the faculty, and that these goals were not fully satisfied. However, before attempting a major reorganization of the curriculum, the faculty felt more detailed information was needed from employers.

The next phase of the planning process began in the summer of 1992. At that time, the MAS faculty discussed ways in which to gather more data from employers. Focus groups were chosen as an appropriate format and a small grant was procured from the original alumnus who suggested the department reorient to meet employers' needs. A focus group script was developed and focus group leader training provided to all departmental members by a Marketing Department faculty member.

Lists of potential business leaders to participate in the focus groups were generated by the Dean's development staff. That staff also set up focus group locations and schedules. Eight focus groups were then run throughout the state. In each session business leaders were given a description of the department's curriculum and asked for their suggestions on how it might be improved. They were also asked to reflect on the strengths and weaknesses of recent university graduates they had hired. Each focus group was run by two faculty members, typically from different sub-areas of the department. Again, it was thought that having direct faculty participation in the data collection would increase the quality of the resulting information and continue to reduce the resistance to change.

Further, it was hoped that by having members from differing sub-areas run the focus group, intra-departmental conflict would be reduced. This, in fact, seemed to have occurred. The focus groups were completed in October of 1992.

The faculty members conducting each focus group summarized their findings. These reports were then integrated by the original three-member strategic planning committee into a summary list reported in Table 1. This summary does not contain many of the useful comments that were germane to only one area (e.g., add the C language to the MIS, affirmative action plans in HRM, team work in management area), but does capture the common themes regarding the department's and graduates strengths and weaknesses.

TABLE 1

Common Themes From the Focus Group Interviews

Program and Graduates' Strengths:

1. recent graduates are energetic
2. pleasant and dependable
3. strong work ethic
4. often have good technical skills
5. good applied computer skills (a minority said the opposite)
6. new and challenging ideas
7. MBA'a have a high level of responsibility and good social skills (some had the opposite opinion of our undergraduates)
8. program covers most of the needed topics

Program and Graduates' Weaknesses:

1. recent graduates need better problem diagnosis and solving skills; students may have the technical skills, but they are not able to integrate ideas and solve problems; they do not see the big picture
2. poor communication skills: both written and verbal

3. inability to work in a team or lead a team
4. lack of understanding of organizational culture and politics
5. limited understanding of ethics and social responsibility
6. expectations for opportunities and advancement are too high
7. self management skills are weak (some said the opposite)
8. lack applied statistical/mathematical skills
9. lack applied motivation/leadership skills
10. lack work experience and an understanding of how business operates; too myopic
11. often not receptive to older, more experienced, or culturally diverse employees' ideas
12. need better training in common computer packages (e.g., spreadsheets and wordprocessing)
13. students and program are falling behind in some technical areas such as MIS
14. some courses may not be needed (e.g., Cobol, business law, and calculus)
15. some courses may need to be added (e.g., ethics, communications skills, team management, total quality management, new programming languages, and required internships)
16. students fail to understand the basics of the various business areas (e.g., accounting, finance, marketing, and manufacturing)

Again, the faculty met and discussed these findings and concluded that there were a number of overarching themes that arose in the focus groups and the initial telephone survey of alumni. One of the most prominent was the students' failure to be able to identify and solve problems. They tended to be myopic, failing to see the forest because of the trees. Further, the students had many technical skills, but they did not seem to be able to apply them. Also, they did not work well in teams and were not able to manage others. These weaknesses seemed to be compounded by their poor communication skills.

Examining these weaknesses the faculty suggested a variety of potential solutions. However, there was not agreement on how to reorient the various sub-areas of the department into one

cohesive curriculum. To facilitate that process, sub-areas within the department met during November of 1992 to identify the key topics that needed to be covered in each of their disciplines. Next, an integration team was constituted with one member from each sub-area of the department. This committee met during the early part of 1993 and developed a variety of curriculum reforms. In April of 1993, the first draft of the plan was circulated within the department and a meeting held. Suggestions were made for revisions and a revised plan was developed. That plan was again discussed and voted upon by the department in May of 1993.

Summary

Initially, there were many sources of resistance to a reorientation of the department toward employers' needs. Enrollments were high and had been for many years. Further, faculty members feared that by taking a customer orientation, the school would sell its soul to industrial groups. They feared that the resulting education would be very vocational and technical in orientation, and that only applied research would be rewarded. These fears were largely overcome by having faculty members conduct an initial telephone survey with recent graduates of the CBE, as well as their employers. That feedback indicated that much of the program was good, but that there needed to be a great deal more integration and application of business theories.

Next, a series of focus groups were conducted around the State to expand on the initial findings and continue the unfreezing process. It was found that the faculty goals and business needs were largely overlapping. For example, both the business leaders and faculty members emphasized the need for students to critically think, integrate ideas, and solve problems. Further, employers offered many ideas and potential resources to help the department toward that end. Based on these findings the faculty redesigned the program with the objective of better integrating and applying the course material.

The process described above illustrates that faculty members resistance to change can be overcome through their direct involvement in the process. One caveat is that this process can be taken to an extreme. In the present case, the data collection and analysis stage of the process took 16 months and verged on being too long. People began to tire of the long process and wanted a resolution to it. Given sufficient resources, such a planning process could be collapsed into a much shorter time frame. However, in the present case, the long time frame did allow for a gradual reorientation of faculty members concerns. Currently, a parallel process is being implemented at the college level, drawing upon the successes and failures of the MAS experience.

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